

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION FREE CONFERENCE COMMITTEE ON HOUSE BILL 573

Call to Order: By **CHAIRMAN MACK COLE**, on April 20, 2001 at 9:15 A.M., in Room 172 Capitol.

ROLL CALL

Members Present:

Rep. Keith Bales, Chairman (R)
Sen. Mack Cole, Chairman (R)
Sen. William Crismore (R)
Rep. Alan Olson (R)
Sen. Glenn Roush (D)

Members Excused: Rep. Gary Matthews (D)

Members Absent: None.

Staff Present: Holly Jordan, Committee Secretary
Mary Vandembosch, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted:
Executive Action: HB 573

EXECUTIVE ACTION ON HB 573

{Tape : 1; Side : A; Approx. Time Counter : 1.6}

Motion: REP. BALES moved that HB 573 DO PASS.

Motion: REP. BALES moved that AMENDMENT HB014216.amv BE ADOPTED.

Discussion:

REP. BALES passed out the amendment **EXHIBIT(frh89hb0573a01)** and explained it.

REP. OLSON asked **Holly Franz, Redstone Gas Partners**, what are the effects of the amendments? **Ms. Franz** stated, these changes mirror the requirements in the existing controlled groundwater area. They expand the radius of one mile if the area beyond the mile is affected. They also clarify the mitigation has to provide for prompt supplementation or replacement of any lost water as a result of the coal bed methane. **REP. OLSON** asked who determines what constitutes a reasonable mitigation agreement. **Ms. Franz** stated, that is a question that came up on the floor. The problem is that some of the minerals are on federal land and are going to be determined by BLM others are on state land and those will be determined by the Board of Oil and Gas. Redstone has a mitigation agreement that does more than what the law requires. **REP. OLSON** asked, is it in the bill that the Board has to approve the mitigation agreements? **Ms. Franz** stated Redstone's opposed mitigation agreement was approved by the Board and that was to remain the process.

SEN. ROUSH asked **Ms. Franz**, regarding amendment 1 (B), the language says "The mitigation agreement is not required to address the loss of water well productivity" is this talking about water well productivity of drinkable water? **Ms. Franz** stated, you have to finish the sentence "productivity that does not result from a reduction in the amount of available water due to production of ... coal bed methane well." What that sentence is trying to describe is in the controlled groundwater area it specifically says that mitigation agreements may exclude mechanical, electrical or similar loss of productivity not resulting from a reduction. The language means if you are not getting water because your pump has malfunctioned that is not a loss productivity due to coal bed methane pumping and therefore it is not the responsibility of the company.

SEN. ROUSH asked **SEN. GROSSFIELD** do these amendments address the mitigation and runoff issues? What is your feel on this? **SEN. GROSSFIELD** stated the next set of amendments will take care of the water quality concern. Those amendments are adequate.

Vote: Motion that **AMENDMENT HB014216.amv** BE ADOPTED carried 5-0.

Motion: **REP. BALES** moved that **HB 573 DO PASS AS AMENDED.**

Motion: **REP. BALES** moved that **AMENDMENTS HB057315.amv, EXCLUDING NUMBER 13, BE ADOPTED.**

Discussion:

REP. BALES passed out the amendment **EXHIBIT(frh89hb0573a02)** and explained it.

Vote: Motion that **AMENDMENT HB 057315.AMV, EXCLUDING NUMBER 13,**
BE ADOPTED carried 5-0.

Motion/Vote: REP. BALES moved that **HB 573 DO PASS AS AMENDED.**
Motion carried 5-0.

ADJOURNMENT

Adjournment: 9:40 A.M.

SEN. MACK COLE, Chairman

HOLLY JORDAN, Secretary

MC/KB/HJ

EXHIBIT (frh89hb0573aad)